

TO: Finance and Audit Committee

FROM: Khaki Bordovsky and Clifton Karnei

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DATE: February 9, 2021

SUBJECT: Review Projected Patronage Capital and Annual Margin Rebate

Exhibit 1 is the unaudited 2020 projected net margins for Brazos Electric based on conservative estimates and illustrates that net margins before considering an Annual Margin Rebate (AMR) adjustment are projected to be \$87,760,180. 2020 financials will be adjusted for final accruals in February.

Exhibit 2 is the preliminary 2020 Unbundled Income Statement that functionalizes the margins illustrated in Exhibit 1. Exhibit 2 reflects margins of \$10,642,447 for production, \$61,930,414 for transmission, and \$15,187,319 for distribution for total margins of \$87,760,180 before the effect of any AMR.

Exhibit 3 projects the following 2020 AMR Adjustments based on DSC targets: \$9,856,671 based on targeting a 1.30 DSC, \$20,280,698 based on targeting a 1.25 DSC, and \$30,704,725 based on targeting a 1.20 DSC.

Exhibit 4 calculates the potential 2020 Initial AMR Allocations for each member based on the weighted average basis for the 2020 AMR adjustment.

Exhibit 5 is the 2018 and 2019 Prior Year AMR Reconciling Amounts approved by the Board on August 26, 2020 to be applied as true-ups to the 2020 Initial AMR Allocation.

Exhibit 6 is the projected 2020 Initial AMR Allocation including the true-ups shown in Exhibit 5.

Exhibit 7 is the projected 2020 Initial Patronage Capital Allocation based on the projected unbundled margins shown in Exhibit 2 and also on the projected net margins after the potential AMR adjustment illustrated in Exhibit 3. The exhibit reflects the following patronage capital allocations based on a weighted average basis: \$87,760,180 based on projected margins before an AMR adjustment, \$77,903,509 based on targeting a 1.30 DSC, \$67,479,482 based on targeting a 1.25 DSC, and \$57,055,455 based on targeting a 1.20 DSC.

Exhibit 8 is the 2018 and 2019 Prior Year Patronage Capital Reconciling Amounts approved by the Board on August 26, 2020 to be applied as true-ups to the 2020 Initial Patronage Capital Allocation.

Exhibit 9 is the Projected 2020 Initial Patronage Capital Allocation including the true-ups shown in Exhibit 8.

Brazos DSC for 2014 was 1.25, 2015 was 1.15, 2016 was 1.25, 2017 was 1.20, 2018 was 1.23, and 2019 was 1.25.

Brazos staff recommends Board approval to target a 1.20 DSC after the 2020 financials are adjusted for final accruals. The 2020 Initial AMR Allocation including true-ups for 2018 and 2019 and the 2020 Initial Patronage Capital Allocation including true-ups for 2018 and 2019 will be presented at the March committee meeting.

EXHIBIT 9

Projected 2020 Initial Patronage Capital Allocation
Based on December 2020 Projected Margins
Including 2018 and 2019 True-Ups for Prior Year Patronage Capital Reconciling Amounts

	Potential Patronage Capital Allocations			
	Before Annual Margin Rebate Adjustment	With 1.30 Consolidated DSC Target for 2020	With 1.25 Consolidated DSC Target for 2020	With 1.20 Consolidated DSC Target for 2020
Bartlett	1,139,854	1,011,824	876,424	741,024
Comanche	1,566,628	1,391,675	1,206,653	1,021,630
Co-Serv	32,654,845	28,970,968	25,075,047	21,179,126
Fort Belknap	542,255	481,273	416,781	352,289
Hamilton	1,356,441	1,204,257	1,043,313	882,369
Heart of Texas	2,453,285	2,179,013	1,888,953	1,598,893
HILCO	3,167,597	2,811,256	2,434,403	2,057,550
J-A-C	470,146	417,428	361,675	305,922
Mid-South	4,924,668	4,380,663	3,805,345	3,230,027
Navarro	2,654,484	2,359,313	2,047,151	1,734,989
Navasota	1,926,092	1,711,278	1,484,098	1,256,918
PenTex	2,115,358	1,878,846	1,628,720	1,378,594
South Plains	1,979,373	1,756,649	1,521,104	1,285,560
Tri-County	16,137,766	14,319,203	12,395,963	10,472,723
United Services	11,271,869	10,009,678	8,674,836	7,339,993
Wise	3,399,519	3,020,185	2,619,016	2,217,848
Total	87,760,180	77,903,509	67,479,482	57,055,455

UNAUDITED

EXHIBIT 1

<p style="text-align: center;"><i>USDA-RUS</i></p> <p style="text-align: center;">OPERATING REPORT - FINANCIAL</p>	<p>BORROWER DESIGNATION Texas 121 Brazos</p> <p>BORROWER NAME AND ADDRESS Brazos Electric Power Cooperative, Inc. 2404 LaSalle Ave. - P. O. Box 2585 Waco, Texas 76702-2585</p>			
<p><i>INSTRUCTIONS - Submit an original and four copies to RUS or detailed instructions, see RUS EOM-3.</i></p>	<p>MONTH ENDING December 31, 2020</p> <p style="text-align: right;">RUS USE ONLY</p>			
<p>CERTIFICATION</p> <p><i>We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.</i></p> <p>ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;"> <p>_____ SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</p> </div> <div style="width: 45%;"> <p>_____ DATE</p> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;"> <p>_____ SIGNATURE OF MANAGER</p> </div> <div style="width: 45%;"> <p>_____ DATE</p> </div> </div>				
<p>SECTION A. STATEMENT OF OPERATIONS</p>				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	(d)
1. Electric Energy Revenues	1,038,093,577.92	1,040,470,210	1,047,677,300	84,178,190
2. Income From Leased Property - Net	-	-	-	-
3. Other Operating Revenue and Income	2,127,700.51	1,554,950	1,739,404	147,849
4. Total Oper. Revenues & Patronage Capital (1 thru 3)	1,040,221,278	1,042,025,160	1,049,416,704	84,326,039
5. Operations Expense - Production - Excluding Fuel	26,649,621	27,089,083	30,657,011	2,236,287
6. Operation Expense - Production - Fuel	104,577,317	70,086,266	105,108,116	6,476,197
7. Operation Expense - Other Power Supply	550,038,853	557,111,494	523,167,834	40,311,179
8. Operation Expense - Transmission	70,693,415	72,211,974	76,663,588	5,961,824
9. Operation Expense - Distribution	5,482,173	5,922,627	5,696,571	485,539
10. Operation Expense - Consumer Accounts	193,169	169,401	290,404	16,390
11. Operation Expense - Consumer Service & Inform.	170,468	173,384	153,821	16,700
12. Operation Expense - Sales	-	-	-	-
13. Operation Expense - Administrative & General	17,977,789	18,700,260	16,920,086	1,801,116
14. Total Operation Expense (5 thru 13)	775,782,807	751,464,488	758,657,430	57,305,232
15. Maintenance Expense - Production	50,487,486	52,540,019	59,133,178	(192,467)
16. Maintenance Expense - Transmission	9,282,564	9,792,283	9,835,220	1,054,922
17. Maintenance Expense - Distribution	5,081,228	6,476,774	6,583,364	591,466
18. Maintenance Expense - General Plant	508,047	432,817	442,905	39,853
19. Total Maintenance Expense (15 thru 18)	65,359,325	69,241,893	75,994,666	1,493,774
20. Depreciation & Amortization Expense	78,066,103	80,954,245	80,865,397	6,893,515
21. Taxes	7,093	1,250	-	-
22. Interest on Long-Term Debt	73,695,122	68,635,644	73,505,089	5,963,498
23. Interest Charged to Construction - Credit	(1,232,967)	(447,216)	(783,216)	(17,033)
24. Other Interest Expense	4,123,216	2,049,224	5,477,743	95,727
25. Other Deductions	368,021	228,165	226,500	35,398
26. Total Cost of Electric Service (14 + 19 thru 25)	996,168,720	972,127,692	993,943,609	71,770,111
27. Operating Margins (4 - 26)	44,052,558	69,897,468	55,473,095	12,555,927
28. Interest Income	16,420,420	12,638,793	15,501,651	899,292
29. Allowance for Funds Used During Construction	-	-	-	-
30. Income (Loss) from Equity Investments	3,653,047	3,042,267	3,727,916	227,751
31. Other Nonoperating Income - Net	976,627	1,762,102	444,000	153,696
32. Generation & Transmission Capital Credits	-	-	-	-
33. Other Capital Credits & Patronage Dividends	505,990	419,551	476,700	294,121
34. Extraordinary Items	-	-	-	-
35. Net Patronage Capital or Margins (27 thru 33)	65,608,642	87,760,180	75,623,362	14,130,787
ITEM	Mills/kWh (Opti	Mills/kWh (Optional Use by Borrower)		
36. Electric Energy Revenue Per kWh Sold		58.99	59.11	
37. Total Operation & Maintenance Expense Per kWh Sold		46.53	47.09	
38. Total Cost of Electric Service Per kWh Sold		55.12	56.08	
39. Purchased Power Cost Per kWh		40.69	43.10	
40. Production Cost per kWh	43.58	42.81	39.74	36.54
41. Mills Per kWh Billed to Members	59.74	57.74	58.60	61.99
42. MegaWatt Hours Billed to Members	17,252,875	16,792,855	17,690,384	1,350,953

RUS Form 12a (Rev. 12-93)

EXHIBIT 2

**BRAZOS ELECTRIC POWER COOPERATIVE
UNBUNDLED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020
BASED ON 2020 PROJECTED MARGINS**

<i>ITEM</i>	<i>*</i>	<i>GENERATION</i>	<i>TRANSMISSION</i>	<i>DISTRIBUTION</i>	<i>OTHER</i>	<i>TOTAL</i>
1. Electric Energy Revenues	1	792,277,503	200,328,564	52,666,380	-	1,045,272,447
2. Income From Leased Property - Net		-	-	-	-	-
3. Other Operating Revenue and Income	2	90,686	550,428	536,020	-	1,177,134
4. Total Oper. Revenues & Patronage Capital (1 thru 3)		792,368,190	200,878,992	53,202,400	-	1,046,449,581
5. Operations Expense - Production - Excl Fuel	3	27,089,083	-	-	-	27,089,083
6. Operation Expense - Production - Fuel		70,086,266	-	-	-	70,086,266
7. Operation Expense - Other Power Supply	4	557,111,494	-	-	-	557,111,494
8. Operation Expense - Transmission	3	-	72,211,974	-	-	72,211,974
9. Operation Expense - Distribution	3	-	-	5,922,627	-	5,922,627
10. Operation Expense - Consumer Accounts	5	1,579	1,687	166,135	-	169,401
11. Operation Expense - Consumer Service & Inform	3	173,384	-	-	-	173,384
12. Operation Expense - Sales		-	-	-	-	-
13. Operation Expense - Admin & General	6	7,605,298	7,427,372	3,667,590	-	18,700,260
14. Total Operation Expense (5 thru 13)		662,067,104	79,641,033	9,756,352	-	751,464,489
15. Maintenance Expense - Production	3	52,540,019	-	-	-	52,540,019
16. Maintenance Expense - Transmission	3	-	9,792,283	-	-	9,792,283
17. Maintenance Expense - Distribution	3	-	-	6,476,774	-	6,476,774
18. Maintenance Expense - General Plant	6	77,473	251,373	103,970	-	432,817
19. Total Maintenance Expense (15 thru 18)		52,617,492	10,043,656	6,580,745	-	69,241,893
20. Depreciation & Amortization Expense	7	35,211,794	31,503,360	14,239,092	-	80,954,245
21. Income Taxes	8	-	-	-	-	-
22. Interest on Long-Term Debt	9	35,739,911	23,749,509	9,146,224	-	68,635,644
23. Interest Charged to Construction - Credit	10	-	(323,695)	(123,521)	-	-
24. Other Interest Expense	10	536,962	698,851	813,411	-	2,049,224
25. Other Deductions	11	91,244	102,927	35,242	-	229,412
26. Total Cost of Electric Service (14 + 19 thru 25)		786,264,506	145,415,641	40,447,543	-	972,574,906
27. Operating Margins (4 - 26)		6,103,684	55,463,350	12,754,856	-	73,874,675
28. Interest Income	10	5,016,379	5,315,843	2,306,571	-	12,638,793
29. Allowance for Funds Used During Construction		-	-	-	-	-
30. Income (Loss) from Equity Investments	12	3,042,267	-	-	-	3,042,267
31. Other Nonoperating Income - Net	13	700,837	790,576	270,689	-	1,762,102
32. Generation & Transmission Capital Credits		-	-	-	-	-
33. Other Capital Credits & Patronage Dividends	14	102,888	161,061	155,603	-	419,551
34. Extraordinary Items		-	-	-	-	-
35. Net Margins Before Adjustments (27 thru 34)		14,966,055	61,730,830	15,487,718	-	92,184,603

ADJUSTMENTS:

36. Unbilled Revenue	15	(4,323,608)	199,584	(300,399)		(4,424,423)
37. PCRF / TCRF Over/Under Collections	16	-	-	-		-
38. Economy Sales	17	-	-	-		-
39. Record AMR	18	-	-	-		-
40. LTSA Surcharge	17	-	-	-		-
41. Capital Surcharge	17	-	-	-		-
42. Sales of Excess Natural Gas	17	-	-	-		-
43. Total Adjustments (36 thru 39)		(4,323,608)	199,584	(300,399)	-	(4,424,423)
44. Net Patronage Capital or Margins (35 + 40)		10,642,447	61,930,414	15,187,319	-	87,760,180

**BRAZOS ELECTRIC POWER COOPERATIVE
NOTES TO UNBUNDLED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020
BASED ON 2020 PROJECTED MARGINS**

- (1) Electric Energy Revenue allocations are based on **12/31/20** general ledger account balances. These revenues are recorded in the general ledger on an unbundled basis.
- (2) Other Operating Revenue and Income is allocated based on the **2019** TCOS Schedule E-5.
- (3) Operation Expenses for Production, Transmission, Distribution, and Consumer Service, and the Maintenance Expenses for Production, Transmission, and Distribution are recorded to unbundled accounts.
- (4) Other Power Supply Expense is allocated based on **12/31/20** general ledger account balances. These expenses are recorded in the general ledger on an unbundled basis unless otherwise noted.
- (5) Consumer Accounts Expenses are allocated based on **12/31/20** general account balances for **\$165,561** with the remainder being allocated based on the Payroll Expense Factors from **2019** TCOS **Schedule F-1**.

Generation	32.6097%
Transmission	43.9323%
Distribution	23.4580%

- (6) Administrative & General Expenses and Maintenance Expense - General Plant are allocated based on the **2019** TCOS Schedule D-2.

A & G salaries, office supplies, injuries and damages, employee pensions and benefits, and rental expenses are allocated as follows based on the Payroll Expense Factors from **2019** TCOS **Schedule D-2 (F-1)**.

Generation	32.6097%
Transmission	43.9323%
Distribution	23.4580%

Legal services pertaining to generation are allocated to generation with the remaining amount allocated based on the Total Operations and Maintenance Expense factors from the **2019** TCOS **Schedule D-2**.

Generation	74.9020%
Transmission	15.8822%
Distribution	9.2158%

Property insurance and miscellaneous plant related expenses are allocated based on the Net Plant in Service Factors from **2019** TCOS **Schedule D-2**.

Generation	39.1284%
Transmission	44.9665%
Distribution	15.9051%

Regulatory expense are allocated as follows based on the Total Revenue Factors from **2019** TCOS **Schedule D-2**.

Generation	76.2084%
Transmission	18.8536%
Distribution	4.9380%

Maintenance Expense - General Plant is allocated as follows based on the Net General Plant Factors from **2019** TCOS **Schedule D-2**.

Generation	17.8997%
Transmission	58.0785%
Distribution	24.0218%

- (7) Depreciation and Amortization Expense for plant assets is based on 12/31/20 general ledger account balances. Depreciation on General Plant is allocated based on the 2019 TCOS Schedule E-1.

- (8) Taxes are allocated in accordance with the TCOS **Schedule F-3**.

Generation	39.7728%
Transmission	44.8655%
Distribution	15.3617%

- (9) Interest on Long-Term Debt allocations are based on **12/31/20** general ledger account balances. These expenses are recorded in the general ledger on an unbundled basis unless otherwise noted.

Line 22 Line of Credit interest expense is allocated in accordance with the **2019** TCOS **Schedule C-2** as follows:

Generation	26.2032%
Transmission	34.1032%
Distribution	39.6936%

**BRAZOS ELECTRIC POWER COOPERATIVE
NOTES TO UNBUNDLED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020
BASED ON 2020 PROJECTED MARGINS**

Line 22 Headquarters interest expense is allocated in accordance with the **2019 TCOS Schedule C-2** as follows:

Generation	10.3809%
Transmission	68.2017%
Distribution	21.4174%

- (10) Interest Charged to Construction, Other Interest Expense, and Interest Income are all allocated in accordance with the **2019 TCOS Schedule C-2**.

Interest Charged to Construction allocated in accordance with the **2019 TCOS Schedule C-2** as follows:

Generation	0.0000%
Transmission	72.3800%
Distribution	27.6200%

Other Interest Expense are allocated in accordance with the **2019 TCOS Schedule C-2** as follows:

Generation	26.2032%
Transmission	34.1032%
Distribution	39.6936%

Other Interest Expense-Capital Lease Cleburne is 100% to Generation

Interest Income-Other is allocated in accordance with **2019 TCOS Schedule C-2** as follows:

Generation	26.2032%
Transmission	34.1032%
Distribution	39.6936%

Interest Income-Cushion of Credit is allocated in accordance with **2019 TCOS Schedule C-2** as follows:

Generation	41.9887%
Transmission	41.9886%
Distribution	16.0227%

- (11) Other Deductions is mainly comprised of losses on obsolete materials and is allocated based on asset classification. Other miscellaneous expenses are allocated based on the Net Plant in Service factors from the **2019 TCOS FACTOR F-3**.
- (12) Income (Loss) from Equity Investments (Brazos Fuel Company and Brazos Sandy Creek Electric Cooperative) is allocated to Generation.
- (13) Gains from retirement are allocated based on the Net Plant in Service factors from the **2019 TCOS Schedule F-3**.
- (14) Patronage capital allocations from CoBank are allocated to Generation, and TEC to Distribution. Allocations from CFC are allocated based on the Generation, Transmission, and Distribution allocable shares of CFC debt service factors from the **2019 TCOS Schedule C-2**.
- (15) Unbilled Revenue is allocated based on Line 1 allocation criteria above.
- (16) PCRF Over/Under Collections are allocated to Generation. TCRF Over/Under Collections are allocated to Transmission.
- (17) Allocated to Generation.
- (18) Annual Margin Rebate has not been functionally allocated, and is reported as Other.

EXHIBIT 3

Brazos Electric Power Cooperative
 Projected 2020 Annual Margin Rebate Adjustment Based on 1.30, 1.25, And 1.20 DSC Targets
 Based on Projected 2020 Margins

	Current Projection (1)	Adjust DSC 1.30	Adjust DSC 1.25	Adjust DSC 1.20
Projected gross margins	87,760,180	87,760,180	87,760,180	87,760,180
Annual Margin Rebate Adjustment	-	(9,856,671)	(20,280,698)	(30,704,725)
Projected Net margins after AMR	87,760,180	77,903,509	67,479,482	57,055,455

MFI - Parent Only (2)	2.23	2.09	1.94	1.79
TIER - Consolidated (3)	1.89	1.79	1.69	1.58
DSC - Consolidated (4)	1.35	1.30	1.25	1.20

- (1) Current projection per exhibit 1 before AMR Adjustment
 (2) MFI calculation = net margins + interest on long term debt of \$68,635,644 less income for equity investments of \$3,042,267 divided by interest on long term debt of \$68,635,644
 (2) TIER calculation = net margins + total interest expense of \$98,406,434 divided by total interest expense of \$98,406,434
 (3) DSC calculation = net margins + depreciation of \$94,714,760 + total interest expense of \$98,406,434 divided by debt service of \$208,480,541

Projected 2020 Interest, Depreciation, & Debt Service

Interest on long term debt				
Brazos Electric	68,635,644	68,635,644	68,635,644	68,635,644
Brazos Sandy Creek	27,721,566	27,721,566	27,721,566	27,721,566
Consolidated interest on long term debt	96,357,210	96,357,210	96,357,210	96,357,210
Other interest	2,049,224	2,049,224	2,049,224	2,049,224
Total interest expense	98,406,434	98,406,434	98,406,434	98,406,434
Depreciation				
Brazos Electric	80,954,245	80,954,245	80,954,245	80,954,245
Brazos Sandy Creek	13,760,515	13,760,515	13,760,515	13,760,515
Total consolidated depreciation	94,714,760	94,714,760	94,714,760	94,714,760
Debt Service				
Brazos Electric	164,258,975	164,258,975	164,258,975	164,258,975
Brazos Sandy Creek	44,221,566	44,221,566	44,221,566	44,221,566
Total consolidated debt service	208,480,541	208,480,541	208,480,541	208,480,541
Income for Equity Investments	3,042,267	3,042,267	3,042,267	3,042,267

Projected 2020 AMR Allocation
Based on December 2020 Projected Margins
Before 2018 and 2019 True-ups for Prior Year AMR Reconciling Amounts

	Production			Transmission			Distribution			Total Weighted Margins		Potential AMR Allocations		
	Brazos 4CP Billing Units	Allocation Factor	Allocated Margin	ERCOT 4CP Billing Units	Allocation Factor	Allocated Margin	Distribution Revenue	Allocation Factor	Allocated Margin	Allocated Margin	Weighted Margin Allocable Percentage	\$9,856,671 AMR to Target 1.30 DSC	\$20,280,698 AMR to Target 1.25 DSC	\$30,704,725 AMR to Target 1.20 DSC
Bartlett	561,192	1.295%	\$ 137,818	560,556	1.305%	\$ 808,273	\$ 657,572	1.259%	\$ 191,171	\$ 1,137,263	1.296%	\$ 127,730	\$ 262,813	\$ 397,895
Comanche	699,300	1.614%	\$ 171,735	704,472	1.640%	\$ 1,015,788	\$ 1,260,881	2.414%	\$ 366,567	\$ 1,554,089	1.771%	\$ 174,546	\$ 359,138	\$ 543,730
Co-Serv	17,156,484	39.590%	\$ 4,213,303	16,638,948	38.740%	\$ 23,991,930	\$ 15,538,441	29.744%	\$ 4,517,376	\$ 32,722,608	37.286%	\$ 3,675,197	\$ 7,561,941	\$ 11,448,685
Fort Belknap	267,216	0.617%	\$ 65,623	262,620	0.611%	\$ 378,675	\$ 334,986	0.641%	\$ 97,388	\$ 541,687	0.617%	\$ 60,839	\$ 125,180	\$ 189,520
Hamilton	673,464	1.554%	\$ 165,390	653,316	1.521%	\$ 942,025	\$ 840,678	1.609%	\$ 244,404	\$ 1,351,819	1.540%	\$ 151,828	\$ 312,395	\$ 472,962
Heart of Texas	1,162,764	2.683%	\$ 285,553	1,140,324	2.655%	\$ 1,644,249	\$ 1,742,287	3.335%	\$ 506,522	\$ 2,436,324	2.776%	\$ 273,633	\$ 563,016	\$ 852,398
HILCO	1,591,344	3.672%	\$ 390,804	1,582,728	3.685%	\$ 2,282,157	\$ 1,693,419	3.242%	\$ 492,315	\$ 3,165,276	3.607%	\$ 355,504	\$ 731,471	\$ 1,107,438
J-A-C	226,476	0.523%	\$ 55,618	219,372	0.511%	\$ 316,316	\$ 331,432	0.634%	\$ 96,355	\$ 468,288	0.534%	\$ 52,595	\$ 108,218	\$ 163,840
Mid-South	1,906,860	4.400%	\$ 468,288	1,993,440	4.641%	\$ 2,874,369	\$ 5,124,495	9.810%	\$ 1,489,806	\$ 4,832,463	5.506%	\$ 542,752	\$ 1,116,745	\$ 1,690,738
Navarro	1,111,524	2.565%	\$ 272,969	1,157,556	2.695%	\$ 1,669,096	\$ 2,338,798	4.477%	\$ 679,941	\$ 2,622,006	2.988%	\$ 294,487	\$ 605,925	\$ 917,363
Navasota	852,576	1.967%	\$ 209,376	863,196	2.010%	\$ 1,244,654	\$ 1,562,156	2.990%	\$ 454,154	\$ 1,908,185	2.174%	\$ 214,315	\$ 440,967	\$ 667,618
PenTex	996,324	2.299%	\$ 244,678	982,704	2.288%	\$ 1,416,975	\$ 1,510,891	2.892%	\$ 439,250	\$ 2,100,903	2.394%	\$ 235,960	\$ 485,502	\$ 735,045
South Plains	973,716	2.247%	\$ 239,126	995,052	2.317%	\$ 1,434,779	\$ 1,047,348	2.005%	\$ 304,488	\$ 1,978,393	2.254%	\$ 222,201	\$ 457,191	\$ 692,182
Tri-County	8,122,764	18.744%	\$ 1,994,795	8,130,720	18.931%	\$ 11,723,798	\$ 8,376,159	16.034%	\$ 2,435,138	\$ 16,153,731	18.407%	\$ 1,814,285	\$ 3,733,002	\$ 5,651,719
United Services	5,323,740	12.285%	\$ 1,307,408	5,406,036	12.587%	\$ 7,795,038	\$ 7,255,482	13.889%	\$ 2,109,332	\$ 11,211,779	12.775%	\$ 1,259,236	\$ 2,590,955	\$ 3,922,674
Wise	1,607,424	3.709%	\$ 394,752	1,555,872	3.623%	\$ 2,243,433	\$ 2,515,768	4.816%	\$ 731,391	\$ 3,369,576	3.840%	\$ 378,450	\$ 778,683	\$ 1,178,916
Whitesboro	102,660	0.237%	\$ 25,211	103,236	0.240%	\$ 148,857	\$ 109,111	0.209%	\$ 31,721	\$ 205,790	0.234%	\$ 23,113	\$ 47,556	\$ 72,000
Total	43,335,828	100.000%	\$ 10,642,447	42,950,148	100.000%	\$ 61,930,414	\$ 52,239,904	100.000%	\$ 15,187,319	\$ 87,760,180	100.000%	\$ 9,856,671	\$ 20,280,698	\$ 30,704,725

EXHIBIT 5

True-Ups for 2018 Prior Year AMR Reconciling Amounts
Approved by Board on August 26, 2020

Bartlett	91
Comanche	504
Co-Serv	(8,675)
Fort Belknap	(83)
Hamilton	208
Heart of Texas	920
HILCO	(19)
J-A-C	4
Mid-South	4,698
Navarro	1,784
Navasota	939
PenTex	615
South Plains	(584)
Tri-County	(3,817)
United Services	2,153
Wise	1,301
Whitesboro	(39)
Total	<u>\$ -</u>

True-Ups for 2019 Prior Year AMR Reconciling Amounts
 Approved by Board on August 26, 2020

Bartlett	(115)
Comanche	3,718
Co-Serv	(61,303)
Fort Belknap	(329)
Hamilton	647
Heart of Texas	4,557
HILCO	(2,266)
J-A-C	481
Mid-South	34,384
Navarro	11,053
Navasota	5,637
PenTex	4,001
South Plains	(1,348)
Tri-County	(22,457)
United Services	14,204
Wise	9,225
Whitesboro	(89)
Total	<u>\$ (0)</u>

EXHIBIT 6

Projected 2020 Initial AMR Allocation
Based on December 2020 Projected Margins
Including 2018 and 2019 True-Ups for Prior Year AMR Reconciling Amounts

	Potential AMR Allocations		
	AMR Allocation Target 1.30	AMR Allocation Target 1.25	AMR Allocation Target 1.20
Bartlett	127,706	262,788	397,871
Comanche	178,768	363,360	547,953
Co-Serv	3,605,219	7,491,963	11,378,707
Fort Belknap	60,427	124,768	189,109
Hamilton	152,683	313,250	473,818
Heart of Texas	279,110	568,493	857,876
HILCO	353,219	729,186	1,105,153
J-A-C	53,080	108,703	164,326
Mid-South	581,834	1,155,827	1,729,820
Navarro	307,324	618,762	930,200
Navasota	220,891	447,543	674,194
PenTex	240,576	490,118	739,660
South Plains	220,269	455,259	690,250
Tri-County	1,788,012	3,706,729	5,625,445
United Services	1,275,593	2,607,312	3,939,031
Wise	388,976	789,209	1,189,442
Whitesboro	22,985	47,429	71,872
Total	\$ 9,856,671	\$ 20,280,698	\$ 30,704,725

Projected 2020 Initial Patronage Capital Allocation
Based on December 2020 Projected Margins
Before 2018 and 2019 True-ups for Prior Year Patronage Capital Reconciling Amounts

	Production			Transmission			Distribution			Total		Potential Patronage Capital Allocations			
	Brazos 4CP Billing Units	Allocation Factor	Allocated Margin	ERCOT 4CP Billing Units	Allocation Factor	Allocated Margin	Distribution Revenue	Allocation Factor	Allocated Margin	Weighted Margin	Weighted Allocation Factor #2	Before Annual Margin Rebate Adjustment	With 1.30 Consolidated DSC Target	With 1.25 Consolidated DSC Target	With 1.20 Consolidated DSC Target
Bartlett	561,192	1.298%	\$ 138,145	560,556	1.308%	\$ 810,221	657,572	1.261%	\$ 191,571	\$ 1,139,937	1.299%	1,139,937	1,011,907	876,507	741,107
Comanche	699,300	1.618%	\$ 172,142	704,472	1.644%	\$ 1,018,235	1,260,881	2.419%	\$ 367,334	\$ 1,557,712	1.775%	1,557,712	1,382,759	1,197,737	1,012,714
Co-Serv	17,156,484	39.684%	\$ 4,223,308	16,638,948	38.833%	\$24,049,736	15,538,441	29.807%	\$ 4,526,830	\$ 32,799,874	37.374%	32,799,875	29,115,998	25,220,077	21,324,156
Fort Belknap	267,216	0.618%	\$ 65,779	262,620	0.613%	\$ 379,588	334,986	0.643%	\$ 97,592	\$ 542,959	0.619%	542,959	481,977	417,485	352,993
Hamilton	673,464	1.558%	\$ 165,783	653,316	1.525%	\$ 944,295	840,678	1.613%	\$ 244,916	\$ 1,354,993	1.544%	1,354,993	1,202,809	1,041,865	880,921
Heart of Texas	1,162,764	2.690%	\$ 286,231	1,140,324	2.661%	\$ 1,648,211	1,742,287	3.342%	\$ 507,582	\$ 2,442,023	2.783%	2,442,023	2,167,751	1,877,691	1,587,631
HILCO	1,591,344	3.681%	\$ 391,732	1,582,728	3.694%	\$ 2,287,656	1,693,419	3.248%	\$ 493,346	\$ 3,172,733	3.615%	3,172,733	2,816,392	2,439,539	2,062,686
J-A-C	226,476	0.524%	\$ 55,750	219,372	0.512%	\$ 317,078	331,432	0.636%	\$ 96,556	\$ 469,384	0.535%	469,384	416,666	360,913	305,160
Mid-South	1,906,860	4.411%	\$ 469,400	1,993,440	4.652%	\$ 2,881,294	5,124,495	9.830%	\$ 1,492,924	\$ 4,843,619	5.519%	4,843,619	4,299,614	3,724,296	3,148,978
Navarro	1,111,524	2.571%	\$ 273,617	1,157,556	2.702%	\$ 1,673,118	2,338,798	4.486%	\$ 681,365	\$ 2,628,099	2.995%	2,628,099	2,332,928	2,020,766	1,708,604
Navasota	852,576	1.972%	\$ 209,873	863,196	2.015%	\$ 1,247,653	1,562,156	2.997%	\$ 455,105	\$ 1,912,631	2.179%	1,912,631	1,697,817	1,470,637	1,243,457
PenTex	996,324	2.305%	\$ 245,259	982,704	2.294%	\$ 1,420,389	1,510,891	2.898%	\$ 440,170	\$ 2,105,817	2.400%	2,105,817	1,869,305	1,619,179	1,369,053
South Plains	973,716	2.252%	\$ 239,694	995,052	2.322%	\$ 1,438,236	1,047,348	2.009%	\$ 305,125	\$ 1,983,055	2.260%	1,983,055	1,760,331	1,524,786	1,289,242
Tri-County	8,122,764	18.788%	\$ 1,999,532	8,130,720	18.976%	\$ 11,752,045	8,376,159	16.068%	\$ 2,440,235	\$ 16,191,812	18.450%	16,191,813	14,373,250	12,450,010	10,526,770
United Services	5,323,740	12.314%	\$ 1,310,513	5,406,036	12.617%	\$ 7,813,820	7,255,482	13.918%	\$ 2,113,747	\$ 11,238,080	12.805%	11,238,080	9,975,889	8,641,047	7,306,204
Wise	1,607,424	3.718%	\$ 395,690	1,555,872	3.631%	\$ 2,248,839	2,515,768	4.826%	\$ 732,921	\$ 3,377,450	3.848%	3,377,450	2,998,116	2,596,947	2,195,779
Total	43,233,168	100.000%	\$ 10,642,447	42,846,912	100.000%	\$61,930,414	52,130,793	100.000%	\$ 15,187,319	\$ 87,760,180	100.000%	87,760,180	77,903,509	67,479,482	57,055,455

EXHIBIT 8

True-Ups for 2018 Prior Year Patronage Capital Reconciling Amounts
Approved by Board on August 26, 2020

Bartlett	156
Comanche	865
Co-Serv	(14,948)
Fort Belknap	(144)
Hamilton	357
Heart of Texas	1,581
HILCO	(34)
J-A-C	7
Mid-South	8,078
Navarro	3,067
Navasota	1,614
PenTex	1,056
South Plains	(1,007)
Tri-County	(6,579)
United Services	3,695
Wise	2,235
Total	<u><u>0</u></u>

True-Ups for 2019 Prior Year Patronage Capital Reconciling Amounts
Approved by Board on August 26, 2020

Bartlett	(239)
Comanche	8,051
Co-Serv	(130,082)
Fort Belknap	(561)
Hamilton	1,091
Heart of Texas	9,681
HILCO	(5,102)
J-A-C	755
Mid-South	72,971
Navarro	23,318
Navasota	11,846
PenTex	8,485
South Plains	(2,675)
Tri-County	(47,467)
United Services	30,094
Wise	19,834
Total	<u><u>0</u></u>